

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN BOB STORY**, on April 6, 2001 at 8:00 A.M., in Room 472 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Bob Story, Chairman (R)  
Rep. Ron Erickson, Vice Chairman (D)  
Rep. Roger Somerville, Vice Chairman (R)  
Rep. Joan Andersen (R)  
Rep. Joe Balyeat (R)  
Rep. Gary Branae (D)  
Rep. Eileen Carney (D)  
Rep. Larry Cyr (D)  
Rep. Rick Dale (R)  
Rep. Ronald Devlin (R)  
Rep. John Esp (R)  
Rep. Gary Forrester (D)  
Rep. Daniel Fuchs (R)  
Rep. Verdell Jackson (R)  
Rep. Jesse Laslovich (D)  
Rep. Trudi Schmidt (D)  
Rep. Butch Waddill (R)  
Rep. Karl Waitschies (R)  
Rep. David Wanzenried (D)

**Members Excused:** Rep. Keith Bales (R)

**Members Absent:** None.

**Staff Present:** Jeff Martin, Legislative Branch  
Rhonda Van Meter, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Executive Action: SB 220, SB 486, SB 496, SB  
501, SB 505, SB 508, SB 512,  
SB 439, SB 346, SB 509

EXECUTIVE ACTION ON SB 220

**Motion:** REP. ERICKSON moved SB 220 BE AMENDED. Amendments were handed out SB022002.ajm **EXHIBIT**(tah78a01).

**Discussion:**

REP. ERICKSON explained the amendments and clarifications towards a cash recipient.

**Vote:** Motion carried unanimously.

**Motion:** REP. DEVLIN moved SB 220 BE AMENDED. Amendments were handed out SB02201.ajm **EXHIBIT**(tah78a02).

**Discussion:**

REP. RON DEVLIN explained the change of percentage for clarification.

**Vote:** Motion carried 10-9 with REP. ERICKSON, REP. BRANAE, REP. CARNEY, REP. CYR, REP. FORRESTER, REP. LASLOVICH, REP. SCHMIDT, REP. WADDILL and REP. WANZENRIED voting no.

**Motion/Vote:** REP. CARNEY moved SB 220 BE CONCURRED IN AS AMENDED. Motion carried 11-8 with REP. SOMERVILLE, REP. ANDERSEN, REP. BALES, REP. BALYEAT, REP. DEVLIN, REP. JACKSON, REP. WAITSCHIES and CHAIRMAN STORY voting no.

EXECUTIVE ACTION ON SB 486

**Motion:** REP. FUCHS moved SB 486 BE CONCURRED IN.

**Discussion:**

REP. JOE BALYEAT found an error in the original fiscal note. Dolores Cooney, Department of Revenue, explained the portion of the fiscal note regarding to stock and the sales of stock.

REP. BALYEAT thought the fiscal note made an assumption of a life time change. He mentioned the stocks and restrictions involved from the fiscal note.

**Substitute Motion/Vote:** REP. WANZENRIED moved SB 486 BE TABLED. Motion carried 13-6 with REP. SOMERVILLE, REP. BALES, REP. FUCHS, REP. JACKSON, REP. WADDILL and CHAIRMAN STORY voting no.

**EXECUTIVE ACTION ON SB 496**

**Motion:** REP. DEVLIN moved SB 496 BE AMENDED. Amendments were handed out **EXHIBIT**(tah78a03).

**Discussion:**

REP. VERDELL JACKSON was disappointed in the protection of the fiscal note only being \$2,800.

REP. DEVLIN explained the amendment and the size of the tank for the intention of increasing supply.

**Vote:** Motion carried 17-2 with REP. WANZENRIED and REP. JACKSON voting no.

**Motion:** REP. DEVLIN moved SB 496 BE CONCURRED IN AS AMENDED.

**Discussion:**

REP. GARY FORRESTER wondered about the supply of propane to fill the tanks.

REP. KARL WAITSCHIES didn't like the credit offered for storing propane.

**Substitute Motion/Vote:** REP. WADDILL made a substitute motion SB 496 BE TABLED. Substitute motion carried 12-7 with REP. DEVLIN, REP. FUCHS, REP. FORRESTER, REP. JACKSON, REP. SOMERVILLE, CHAIRMAN STORY and REP. BALES voting no.

**EXECUTIVE ACTION ON SB 501**

**Motion:** REP. DEVLIN moved SB 501 BE CONCURRED IN.

**Discussion:**

REP. JACKSON briefed the intent of the bill as a glitch for SB 184. He felt it would prevent a problem long term for properties.

REP. DAN FUCHS referred to the fiscal note and mentioned the counties involved with the bill.

**Vote:** Motion carried 18-1.

*{Tape 1; Side B}*

**EXECUTIVE ACTION ON SB 505**

**Motion:** REP. STORY moved SB 505 BE CONCURRED IN. A handout on MPC conservation resource was presented **EXHIBIT**(tah78a04) .

**Motion:** REP. ERICKSON moved SB 505 BE AMENDED. Amendments were handed out SB050501.ajm **EXHIBIT**(tah78a05) .

**Discussion:**

REP. ERICKSON explained the amendments. He expressed the deduction for conserving energy and the sections of the bill that would be taken out.

CHAIRMAN STORY opposed the amendment. He mentioned the tax relief in the bill and opposed taking out sections of the bill.

REP. TRUDI SCHMIDT wondered how this amendment would be different. CHAIRMAN STORY explained the differences within the bill dealing with conservation.

**Vote:** Motion to adopt amendment failed 8-11 with REP. ERICKSON, REP. BRANAE, REP. CARNEY, REP. CYR, REP. LASLOVICH, REP. SCHMIDT, REP. WADDILL and REP. WANZENRIED voting aye.

**Motion:** REP. ERICKSON moved SB 505 BE AMENDED. Amendments were handed out SB050502.ajm **EXHIBIT**(tah78a06) .

**Discussion:**

REP. ERICKSON explained these amendments dealing with percentage differences. REP. ROGER SOMERVILLE mentioned the clarifications with these amendments.

REP. WANZENRIED wondered if this was needed. He thought the issues were taken up in other bills. REP. SOMERVILLE didn't know the other energy bills that would pertain to this.

**Vote:** Motion carried 18-1 with REP. BALYEAT voting no.

**Motion:** REP. SOMERVILLE moved to pass amendment by REP. TAYLOR, which was already passed out during hearing.

**Discussion:**

REP. SOMERVILLE explained the striking of language in this amendment.

Substitute Motion/Vote: REP. SOMERVILLE made a substitute motion to amend the amendment by changing the percentage to .5%. Motion carried 17-2 with REP. BALYEAT and CHAIRMAN STORY voting no.

Discussion:

Jeff Martin, Legislative Staff, explained an amendment that REP. WAITSCHIES had requested. This amendment would strike language and Section five of the bill.

Motion: REP. WAITSCHIES moved SB 505 BE AMENDED.

REP. WAITSCHIES explained the credit currently on the books and how this bill would effect the credit.

Vote: Motion carried 10-9 with REP. SOMERVILLE, REP. ERICKSON, REP. BRANAE, REP. CARNEY, REP. JACKSON, REP. SCHMIDT, REP. WADDILL REP. WANZENRIED and CHAIRMAN STORY voting no.

*{Tape 2; Side A}*

Motion/Vote: REP. STORY moved SB 505 BE CONCURRED IN AS AMENDED. Motion carried 11-8 with REP. ERICKSON, REP. BRANAE, REP. CARNEY, REP. CYR, REP. LASLOVICH, REP. SCHMIDT, REP. WADDILL and REP. WANZENRIED voting no.

EXECUTIVE ACTION ON SB 508

Motion: REP. DEVLIN moved SB 508 BE AMENDED. Amendments were handed out **EXHIBIT** (tah78a07).

Discussion:

REP. DEVLIN explained the amendments and the impact on the fees involved with the bill.

Vote: Motion carried 15-4 with REP. BALYEAT, REP. WANZENRIED, REP. LASLOVICH and REP. WADDILL voting no.

Motion: REP. DEVLIN moved SB 508 BE CONCURRED IN AS AMENDED.

Discussion:

REP. LARRY CYR opposed the bill due to language in the fiscal note.

**CHAIRMAN STORY** wondered about the TIFD being effected by the exemption. **Dolores Cooney** explained how the TIFD was all state internal with no additional revenue to the TIFD.

Vote: Motion carried 12-8 with REP. ERICKSON, REP. BRANAE, REP. CARNEY, REP. CYR, REP. LASLOVICH, REP. SCHMIDT REP. WADDILL and REP. WANZENRIED voting no.

*{Tape 2; Side B}*

#### EXECUTIVE ACTION ON SB 512

Motion: REP. ESP moved SB 512 BE AMENDED. Amendments were handed out **EXHIBIT**(tah78a08). Information on the price brackets for SB 512 was handed out **EXHIBIT**(tah78a09).

#### Discussion:

**Jeff Martin** explained the amendments.

Substitute Motion: REP. ESP moved a conceptual amendment dealing with the rates being cut in half.

Motion: REP. WANZENRIED moved to segregate amendment #10.

Withdrawn Motion: REP. ESP withdrew the conceptual amendment.

Withdrawn Motion: REP. WANZENRIED withdrew segregating amendment #10.

Vote: Motion to adopt amendment carried unanimously.

Motion/Vote: REP. ESP moved SB 512 BE CONCURRED IN. Motion carried 11-9 with REP. ERICKSON, REP. BALLYEAT, REP. BRANAE, REP. CARNEY, REP. CYR, REP. FORRESTER, REP. SCHMIDT, REP. WAITSCHIES and REP. WANZENRIED voting no.

*{Tape 3; Side A}*

#### EXECUTIVE ACTION ON SB 439

Motion: REP. ESP moved SB 439 BE AMENDED. Amendments were handed out **EXHIBIT**(tah78a10).

#### Discussion:

**SEN. LORENTS GROSFIELD, SD 13, BIG TIMBER**, explained the amendments. He addressed minor policy points within the bill these amendments would reflect.

**REP. ERICKSON** liked the original bill.

**REP. WANZENRIED** referred to amendment #45 and asked about the removing of language. **SEN. GROSFIELD** explained where the funding would be applied.

**CHAIRMAN STORY** asked about the base for the tax. **SEN. GROSFIELD** said how the appropriations would be able to distribute within the categories.

**Vote:** Motion carried 10-9 with **REP. ERICKSON, REP. ANDERSEN, REP. BRANAE, REP. CARNEY, REP. CYR, REP. LASLOVICH, REP. SCHMIDT, REP. WADDILL** and **REP. WANZENRIED** voting no.

**Motion:** **REP. ESP** moved SB 439 BE CONCURRED IN AS AMENDED.

**Discussion:**

**REP. ESP** briefed the significance of the bill.

**REP. ERICKSON** felt other states handle bed tax differently.

**Vote:** Motion failed 7-12 with **REP. ERICKSON, REP. BRANAE, REP. CARNEY, REP. CYR, REP. ESP, REP. FUCHS, REP. WADDILL** and **CHAIRMAN STORY** voting aye.

**Motion/Vote:** **REP. ESP** moved SB 439 BE TABLED. Motion carried by reversing above vote.

**EXECUTIVE ACTION ON SB 346**

**Motion:** **REP. STORY** moved SB 346 BE AMENDED. Amendments were handed out **EXHIBIT**(tah78a11).

**Discussion:**

**CHAIRMAN STORY** mentioned how the tax bill would be coded for an exclusion towards low income families.

**Jeff Martin** explained the amendments.

**Vote:** Motion carried unanimously.

**Motion/Vote:** REP. STORY moved SB 346 BE CONCURRED IN AS AMENDED. Motion carried 17-2 with REP. ANDERSEN and REP. BALLYEAT voting no.

**EXECUTIVE ACTION ON SB 509**

**Motion:** REP. WANZENRIED moved SB 509 BE CONCURRED IN.

**Discussion:**

REP. WANZENRIED mentioned energy conservation and how this bill would be cost effective.

REP. ERICKSON thought there should be an ending date on the tax break.

**Motion/Vote:** REP. ERICKSON moved to add an amendment with an effective date. Motion carried unanimously.

REP. WAITSCHIES thought they needed to ban the sale of certain fuels relating to gasoline.

*{Tape 3; Side B}*

REP. BALLYEAT referred to Section four and wondered about the credit towards a vehicle.

**Motion/Vote:** REP. ESP moved SB 509 BE TABLED. Motion carried 14-5 with REP. ERICKSON, REP. BRANAE, REP. CARNEY, REP. WADDILL and REP. WANZENRIED voting no.



**ADJOURNMENT**

Adjournment: 11:00 A.M.

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REP. BOB STORY, Chairman

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RHONDA VAN METER, Secretary  
CECILE TROPILA, Transcriber

BS/RV/CT

**EXHIBIT** (tah78aad)